

FINANCE COMMITTEE NOTES
Tuesday, November 22, 2016

GENERAL BUSINESS

Meeting commenced at 11:30 a.m.

ATTENDEES

Committee Members: Council Member Jeff S. Helgeson, Chair; Council Member Randy Nelson; Council Member Mary Jane Dolan; Mayor Joan Foster, Ex-Officio

Others: Bonnie Svrcek, City Manager; Charles Hartgrove, Deputy City Manager; Donna Witt, Director of Financial Services; Starlette Early, Budget Analyst

1. Approval of the Draft Finance Committee Meeting Notes from September 22, 2016

The Finance Committee meeting notes for September 22, 2016 were unanimously approved as submitted.

2. Report on the General Fund Reserve for Contingencies

Donna Witt reported there were no new items. The balance of the FY 2017 General Fund Reserve for Contingencies is \$1,147,455, including \$50,000 in the City Manager's Discretionary Funding.

3. Consider a request to adopt a resolution to amend the FY 2017 City/Federal/State Aid Fund budget to appropriate \$2,800 with funding from the Virginia Wireless E-911 Services Board FY 2015 Public Safety Answering Point Grant Program to install Centralized Automatic Message Accounting (CAMA) module card equipment and configure two (2) trunks at the Department of Emergency Services Emergency Communications Center.

The Committee unanimously approved this item. This item will be considered by City Council on December 13, 2016.

4. Consider a request to adopt a resolution to amend the FY 2017 City/Federal/State Aid Fund budget to appropriate \$150,000 with funding from the Virginia Wireless E-911 Services Board FY 2017 Public Safety Answering Point Grant Program to upgrade the existing Call Handling Equipment (CHE) system at the Department of Emergency Services.

The Committee unanimously approved this item. This item will be considered by City Council on December 13, 2016.

5. Approve the submittal of a grant application for the 2016 - 2017 Department of Criminal Justice Services (DCJS) Policing in the 21st Century Grant for the amount of \$20,000 (\$18,000) and a 10% in-kind match (\$2,000) from the Boys and Girls Club Empowerment Center to expand upon the Street Smart Program in partnership with the Boys and Girls Club and the Lynchburg City Schools.

The Committee unanimously approved this item.

6. Approve the submittal of a grant application to the Virginia Office of Emergency Medical Services – Rescue Squad Assistance Fund (RSAF) for \$104,520 with resources of \$83,616 from the RSAF grant and \$20,904 from the FY 2017 General Fund Fire Department budget to purchase two (2) LifePak 15 cardiac monitors and two (2) Power Pro stretchers for the Fire Department.

The Committee unanimously approved this item.

7. Review highlights of attached quarterly financial reports for the Greater Lynchburg Transit Company (GLTC) as well as the Regional Airport, Lynchburg Regional Juvenile Detention Center, Comprehensive Services Act, Water Operating, Sewer Operating, Stormwater Operating, and General Funds for the quarter ending June 30, 2016.

GLTC: Josh Baker had no additional information to report since providing a report at the annual meeting of GLTC.

Airport: Mark Courtney reported the Airport Fund ended FY 2016 financially strong and is the third or fourth busiest in the Commonwealth. This is the first full year without a subsidy from the City, and they do not anticipate needing a subsidy for the foreseeable future. He noted operating revenues were up 6.5% and expenses down 5%. Flights and seat capacity are trending upwards 1%, while there is relatively flat passenger traffic growth. They experienced record revenue increases in vehicle parking and rental car concessions for FY 2016.

Lynchburg Regional Juvenile Detention Center: Tamara Rosser noted the number of detainees determine the revenues received; average number of juveniles served per day through fourth quarter of FY 2016 was 13.57 compared to 19.54 in FY 2015. Expenditures are within budget. She reported the Prison Rape Elimination Act (PREA) impacts staffing patterns. The City has signed a contract with the State for serving detainees committed with the State. This should increase revenues beginning the first quarter of FY 2017 as revenue is received for an 8-bed service and does not reflect actual number served.

Children's Services Act (CSA): Tamara Rosser reported expenses are higher in mandated services for Foster Care and Special Education due to an increase in the population. Increased enrollments at private day placements such as Rivermont School, Bridges, and New Vistas School impact the expenses for Special Education, in addition to students attending for longer periods of time. Non-mandated expenditures were below budget for FY 2016 as a result of the increase in the mandated population.

Water: Tim Mitchell reported overall revenues increased as a result of higher water connections in the quarter ending June 30, 2016, despite a decrease in actual water consumption. Water contracts were higher than budgeted overall, but Bedford County revenues continue to decrease. Overall the fund reflects a stable FY 2016 financial position and financial ratios exceed financial policies. He noted Emergency Services in Amherst County requested use of water from Pedlar Reservoir to fight the recent wildfires in the area.

Sewer: Tim Mitchell reported revenues overall were up almost \$600,000 than budgeted, primarily due to treating leachate. Overall expenses are down due to how they treat and dispose of sludge. Overall financial ratios are above target for this fund.

Stormwater: Tim Mitchell reported overall revenues are within budget and expenses are down by \$332,000 due to savings in supplies and materials and contractual services. The fourth quarter reflected a stable FY 2016 financial position for the fund.

General Fund: Donna Witt had no new information to report since the briefing provided to Council at the City Council retreat.

8. Receive a report on the FY 2016 Write-Off of Uncollectible Accounts Receivable.

Donna Witt reviewed the Accounts Receivable policy that was established to write-off uncollectable accounts. She noted the total write-off was 1.18 % (\$1,113,556.83) of total Accounts Receivable and delinquent ambulance accounts represented the largest category. The Committee questioned the number of parcels that were represented in the write-off for Real Estate and staff will research those details.

9. Review collections received from five of the City's largest revenue sources.

Donna Witt indicated there were no changes from her report given to Council at their recent retreat. She noted most revenues are flat, and staff is not seeing the growth that was anticipated.

10. Roll Call

Council Member Nelson inquired whether there was additional information regarding Air Bed and Breakfast (Air B&B) regulations in lodging taxation and staff reported there was no new information. Air B&B's continue to be off the radar for transient occupancy taxes.

Meeting adjourned at 12:33 p.m.

The next Finance Committee meeting is Tuesday, December 13, 2016, at 11:30 a.m.